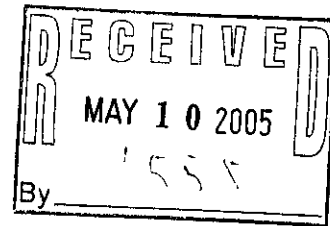




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Supporting CDCs Strengthening Neighborhoods



May 5, 2005

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington DC 20551
RE: Docket No. R-1225

✓ Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th St. NW 20429
RE: RIN 3064-AC89

Office of the Comptroller of the Currency
250 E St SW, Mail Stop 1-5
Washington 20219
RE: Docket Number 05-04

To Whom It May Concern:

I am writing on behalf of the Philadelphia Association of Community Development Corporations and our 75 members to urge you to modify your proposed changes to the Community Reinvestment Act (CRA) regulations so that banks do not reduce their levels of branches or community development loans and investments to low- and moderate-income communities.

Let me first thank you for being responsive to community concerns regarding your fall proposal. Your proposal is an improvement from the one you issued in the fall, but serious issues remain.

I am pleased that you have dropped your proposal to allow mid-size banks with assets between \$250 million to \$1 billion to offer either community development loans, investments or services. Banks must be expected to engage in all three of these essential community development activities in order to pass their CRA exams as your current proposal requires. I still believe that the current exam structure of separate lending, investment, and service tests is the most effective structure for maximizing the level of community development financing. If you move to a new exam format, you must ensure that significant

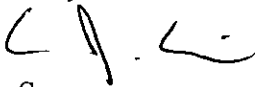
declines of community development financing do not occur. You could compare past levels of community development financing to future levels after any changes to the CRA exam structure so that banks are penalized if they significantly decrease their level of community development activities.

The role of investments in communities cannot be belittled. Investments in affordable housing and economic development build wealth for families and communities and thus open up new markets for bank lending and services. The importance of investments is one reason why you must carefully develop any final proposal regarding the CRA exam structure.

I am also concerned that deleting a separate test for services will result in CRA exams no longer holding mid-size banks accountable for the provision of bank branches and low-cost accounts in low- and moderate-income communities. Philadelphia and Pennsylvania are experiencing record levels of foreclosures, much of which are linked to predatory lending. In this context, it is crucial that CRA exams continue to look at the number of bank branches in traditionally underserved communities. Please add the provision of bank branches as a clear factor on your proposed CRA exams for mid-size banks.

I urge you to drop your proposed elimination of public data disclosure requirements regarding community development, and small business and small farm lending. Mid-size banks are vital in many communities, particularly in medium-sized cities and rural communities. The only way to hold them accountable for providing credit to small firms and for affordable housing and community development is if the CRA data remains publicly available. The public as well as regulatory agencies will have no way to systematically measure the responsiveness of these banks to critical credit needs if you eliminate this data. Thank you for your consideration of my comments.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Sue Sierra', with a stylized flourish at the end.

Sue Sierra
Policy Coordinator

cc. National Community Reinvestment Coalition